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SURFACE TRANSPORTATION BOARD Phone: (312) 252-1500
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www.fletcher-sippel.com

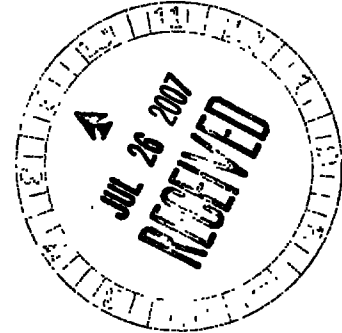
FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
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Chicago, Illinois 60606-2832

MYLES L. TOBIN
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mtobin@fletcher-sippel.com

July 25, 2007



Via Overnight (Next Business Day) Delivery

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001
Attn: Office of Recordations

Dear Secretary Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of a Memorandum of Loan and Security Agreement, dated as of July 25, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents, and an original and two copies of Northern Illinois & Wisconsin Railway Corporation's Assignment of Rents and Lessor's Interest in Leases, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Debtor: Northern Illinois & Wisconsin Railway Corporation
311 Mallard Lane
Sugar Grove, Illinois 60554

Secured Party: LaSalle Bank National Association
135 South LaSalle Street
Chicago, Illinois 60603

A description of the locomotives is included as Exhibit A to the document. Included in the property covered by the aforesaid Loan and Security Agreement are locomotives intended for use and related to interstate commerce, and includes locomotives acquired by Debtors or its or their successors **after the date** of the Loan and Security Agreement.

Also enclosed is a check in the amount of \$70.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

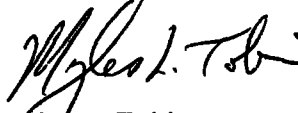
FLETCHER & SIPPEL LLC

Mr. Vernon A. Williams

July 25, 2007

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Myles L. Tobin". The signature is fluid and cursive, with the first name "Myles" being more prominent.

Myles L. Tobin

Attorney for Secured Party

Enclosures.

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**MEMORANDUM OF
LOAN AND SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LOAN AND SECURITY AGREEMENT (the "Memorandum") dated as of July 25, 2007, is made by and between LaSalle Bank National Association, a national banking association, 135 South LaSalle Street, Chicago, Illinois 60603, (the "Bank"), and Northern Illinois & Wisconsin Railway Corporation, an Illinois corporation, with its chief executive office and principal place of business at 311 Mallard Lane, Sugar Grove, Illinois 60554 (the "Borrower").

Borrower and the Bank hereby state the following:

1. Borrower and the Bank are parties to that certain Loan and Security Agreement dated as of July 25, 2007 (the "Loan Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given in the Loan Agreement), whereby the Bank loaned Borrower certain funds *inter alia* to facilitate the purchase or financing of the Locomotives more specifically identified on Exhibit A attached hereto and made a part hereof and any Locomotives acquired by Borrowers subsequent to July 25, 2007.
2. Borrower's obligations under the Loan Agreement and other loan documents are evidenced by and payable in accordance with the Loan Agreement.
3. Pursuant to the terms of the Loan Agreement and to secure the payment and performance of any and all of Borrower's obligations to the Bank, Borrower granted to the Bank a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the Locomotives to have and to hold all and every part of the Locomotives unto the Bank, its successors and assigns, for its and their own use and benefit forever.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

Ellen J. Howell

NORTHERN ILLINOIS & WISCONSIN
RAILWAY CORPORATION, an Illinois
Corporation

By: John Howell
Title: PRESIDENT

WITNESS:

Spencer J. McCreel

LASALLE BANK NATIONAL
ASSOCIATION, a National Banking
Association

By: [Signature]
Title: VP

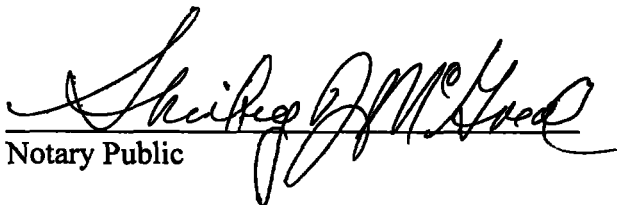
EXHIBIT A

Fleet ID	Manufacturer – Model	Lessee
NIWX 8925	EMD – SD45	
NIWX 815	EMD – GP30	Blackwell Northern Gateway Railroad
NIWX 907	EMD – GP9	J.R. Simplot
NIWX 2581	EMD-SW1500	J.R. Simplot
NIWX 9020	EMD-GP7	Frick Services, Inc.
NIWX 375	EMD-SD45	Eastern Washington Gateway Railroad
NIWX 8924	EMD-SD45	Eastern Washington Gateway Railroad

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 25th day of July, 2007, before me, a Notary Public of the County and State aforesaid, personally appeared JOHN HOWELL to me personally known, who being by me duly sworn, says that he is the PRESIDENT of Northern Illinois & Wisconsin Railway Corporation, an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.


Notary Public

My Commission Expires:

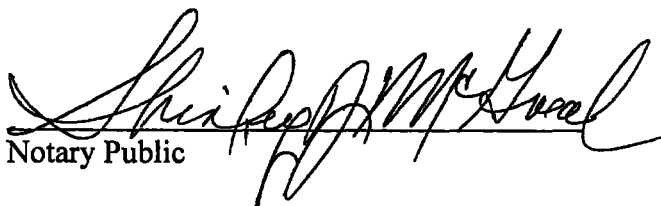
MAY 20, 2009

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)



On this 25th day of July, 2007, before me, a Notary Public of the County and State aforesaid, personally appeared STEFAN LOEB to me personally known, who being by me duly sworn, says that he is the Vice President of LaSalle Bank National Association, a national banking association, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

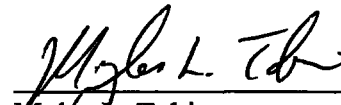

Notary Public

My Commission Expires:

MAY 20, 2009



Under penalty of perjury, I declare that I have compared the foregoing copy of the Memorandum of Loan and Security Agreement with the original and have found the copy to be complete and identical in all respects to the original document.



Myles L. Tobin
Filer for Secured Party